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## SECRET

PAGE 01 BEIJIN 30650 U1 OF 04 261026Z

ACTION H-06

INFO LOG-00 AIT-03 OASY-00 DS-00 EAP-01 TEDE-00 ADS-00 SS-00 CORE-00 /010W

----E71A9E 261026Z /38

P 261025Z AUG 93
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC PRIORITY 8778
INFO AMCONSUL SHANGHAI
AMCONSUL GUANGZHOU
SECDEF WASHDC//OSD-ISA//
AMCONSUL SHENYANG
AIT TAIPEI 2125
AMCONSUL HONG KONG

DEPARTMENT OF STATE IM/IPS/CR/IR (5) Date: 4/10/97

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() EXCISE () DECLASSIFY EO Citations 3 / 86

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BA Examptions () DOWINGRADE TS to () S or () C

S E C R E T SECTION 01 OF 04 BEIJING 030650

DEPT PLEASE PASS TO REPS. MCCURDY, FOGLIETTA, CHAPMAN

E.O. 12356: DECL:OADR

AMCONSUL CHENGDU

TAGS: OREP, PREL, PARM, CH, US

SUBJECT: CODEL MCCURDY'S AUGUST 24 MEETING WITH PLA ASSISTANT CHIEF OF THE GENERAL STAFF XIONG GUANGKAI

- SECRET ENTIRE TEXT.
- 2. SUMMARY: CONGRESSMAN MCCURDY, IN HIS AUGUST 24 MEETING WITH ASSISTANT CHIEF OF THE GENERAL STAFF MAJOR GENERAL XIONG GUANGKAI, URGED CHINA TO BE MORE SECRET

# SECRET

PAGE 02 BEIJIN 30650 01 OF 04 261026Z OPEN IN DISCUSSING POSSIBLE M-11 MISSILE SALES TO FAKISTAN TO REMOVE SUSPICIONS AND AVOID SANCTIONS. XIONG REPEATEDLY QUESTIONED U.S. INTELLIGENCE REPORTS IN THE M-11 AND "YIN HE" CASES, ARGUING THAT SUCH REPORTS WERE NOT ALWAYS ACCURATE. XIONG SAID THAT THE CHINESE WERE "OUTRAGED" OVER U.S. HARASSMENT OF THE "YIN HE" IN THE PERSIAN GULF, AND UPSET OVER THE LEAKS OF "MISTAKEN INTELLIGENCE" TO U.S. NEWSPAPERS. XIONG HELD THAT CHINA STRICTLY CONTROLLED ITS EXPORTS OF NUCLEAR AND WEAPONS TECHNOLOGY, ABIDED BY ALL ITS INTERNATIONAL COMMITMENTS, AND LIMITED THE QUANTITIES OF CHINESE WEAPONS REACHING SENSITIVE AREAS. HE CALLED ON THE UNITED STATES TO AVOID DOUBLE STANDARDS AND TO TAKE ACTION TO REDUCE ITS OWN EXPORTS OF ARMS. END SUMMARY.

te Printed: 01/23/1997 DOC\_NUMBER: 93BEIJIN30650

CHANNEL: n/a

- 3. CONGRESSMEN DAVID MCCURDY (D-OK), TOM FOGLIETTA (D-PA) AND JAMES CHAPMAN (D-TX) MET WITH FLA ASSISTANT CHIEF OF THE GENERAL STAFF MAJOR GENERAL XICHG GUANGKAI ON AUGUST 14. ACCOMPANYING THE CONGRESSMEN WERE AMBASSADOR ROY, DATT BRIG. GENERAL JOHN GARRISON, HFAC STAFF DIRECTOR ALMA MOORE, COL. ERIC WINBORNE USAF, MAJOR CYNTHIA SNYDER, CPT. CHRIS KAPELLAS (DAO), CONTROL OFFICER, POLOFF (NOTETAKER) AND EMBASSY INTERPRETER. AMONG THOSE ACCOMPANYING MAJOR GENERAL XIONG WERE MAJOR GENERAL ZHAN MAOHAI, DEPUTY DIRECTOR OF THE PLA FOREIGN AFFAIRS BUREAU (FAB), AND SENIOR COL. DU XINGTAN, DEPUTY DIRECTOR OF FAB'S AMERICAN AND OCEANIAN DIVISION.
- 4. GENERAL XIONG WELCOMED THE DELEGATION, STATING THAT THE VISIT WOULD HELP STRENGTHEN RELATIONS AND SECRET

#### SECRET

BEIJIN 30650 01 OF 04 261026Z PAGE 03 DEEPEN MUTUAL UNDERSTANDING. CONGRESSMAN MCCURDY RECIPROCATED, NOTING THAT HE WAS HOPEFUL THAT BILATERAL TIES COULD BE STRENGTHENED. HE THEN BRIEFLY DESCRIBED THE CODEL'S PURPOSE IN VISITING ASIA, THE UNITED STATES' EFFORTS TO REDUCE THE DEFENSE BUDGET, AND MOVES TO REDIRECT DEFENSE DOLLARS TO NEW PRIORITIES SUCH AS CLEANING UP THE ENVIRONMENT AND CONVERTING DEFENSE INDUSTRIES TO CIVILIAN PRODUCTION. MCCURDY NOTED THAT HE AND HIS COLLEAGUES HAD TALKED WITH SECRETARY OF DEFENSE ASPIN AND CINCPAC ADMIRAL LARSON BEFORE AND DURING HIS TRIP, AND STATED THAT PRESIDENT CLINTON'S MESSAGE DURING HIS JULY ASIA TRIP, THAT STABILITY IN ASIA IS IMPORTANT TO THE UNITED STATES AND THE WORLD, WAS WIDELY SHARED. MCCURDY TOLD XIONG THAT THE UNITED STATES WANTED TO WORK WITH COUNTRIES IN THE REGION AND STRESSED THAT WE DID NOT SEEK "HEGEMONY" IN OUR MILITARY STRATEGY. 5. MCCURDY SAID THAT HE HAD TWO POINTS TO MAKE DURING THE MEETING. FIRST, HE WANTED TO STRESS THE SHIFT IN PRIORITIES IN THE UNITED'STATES AND THE UN TOWARD PREVENTING THE PROLIFERATION OF NUCLEAR WEAPONS AND OTHER WEAPONS OF MASS DESTRUCTION. MCCURDY ALSO CALLED "THE RISE OF NATIONS WITH HEGEMONIC DESIGNS" A NEW ISSUE OF CONCERN. MCCURDY THANKED CHINA FOR ITS COOPERATION ON ISSUES SUCH AS THE DPRK NUCLEAR WEAPONS PROGRAM, AND SAID WE ALSO APPRECIATED CHINESE COOPERATION ON NON-PROLIFERATION MATTERS AND THE MTCR. MCCURDY THEN TURNED TO HIS SECOND POINT. HE TOLD XIONG THAT, WHILE ENHANCED MILITARY-TO-MILITARY CONTACTS BETWEEN THE UNITED STATES AND CHINA WERE IMPORTANT, QUESTIONS REMAINING ABOUT THE TRANSFER OF

:e Printed: 01/23/1997

DOC\_NUMBER: 93BEIJIN30650

CHANNEL: n/a

#### SECRET

PAGE 04 BEIJIN 30650 01 OF 04 261026Z M-11 MISSILE TECHNOLOGY TO PAKISTAN COULD UNDERMINE ANY MOVE TO FURTHER MILITARY-TO-MILITARY COOPERATION.

6. RESPONDING, GENERAL XIONG SA
ID HE WOULD LIKE TO
GIVE CHINA'S VIEWS ON THESE TOPICS. XIONG STATED THAT
CHINA'S ECONOMIC CONSTRUCTION REQUIRED WORLD PEACE AND
STABILITY, BUT THAT -- ALTHOUGH NO WORLD WAR WAS IN
THE OFFING -- THE WORLD WAS "FAR FROM PEACEFUL" AT
PRESENT. CHINA BELIEVED, ACCORDING TO XIONG, THAT
"HEGEMONY AND POWER POLITICS" WERE THE MAJOR THREATS
TO WORLD PEACE AND STABILITY. HE NOTED THAT SINO-U.S.
JOINT COMMUNIQUES EXPRESSED THE DESIRE TO OPPOSE
HEGEMONISM. ALTHOUGH THE UNITED STATES AND CHINA HAVE
MANY DIFFERENCES AND SOME "DIFFICULTIES" BETWEEN OUR
GOVERNMENTS, WE ALSO HAVE MANY COMMON INTERESTS AND
SHOULD FOSTER FRIENDLY RELATIONS FOR OUR MUTUAL

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PAGE 01 BEIJIN 30650 02 OF 04 261026Z ACTION H-06

INFO LOG-00 AIT-03 OASY-00 DS-00 EAP-01 TEDE-00 ADS-00 SS-00 CORE-00 /010W

P 261025Z AUG 93
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC PRIORITY 8779
INFO AMCONSUL SHANGHAI
AMCONSUL GUANGZHOU
SECDEF WASHDC//OSD-ISA//
AMCONSUL SHENYANG
AIT TAIPEI 2126
AMCONSUL HONG KONG
AMCONSUL CHENGDU

S E C R E T SECTION 02 OF 01 BEISING 030650

te Printed: 01/23/1997 DOC\_NUMBER: 93BEIJIN30650 CHANNEL: n/a

DEPT PLEASE PASS TO REPS. MCCURLY, FOGLIETTA, CHAPMAN

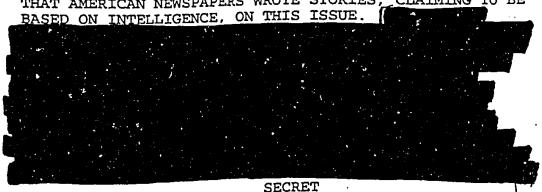
E.O. 12356: DECL:OADR TAGS: OREP, PREL, PARM, CH, US SUBJECT: CODEL MCCURDY'S AUGUST 24 MEETING WITH PLA ASSISTANT CHIEF OF THE GENERAL STAFF XIONG GUANGKAI

BENEFIT AND THE BENEFIT OF THE REGION AND THE WORLD. 7. ON THE QUESTION OF NUCLEAR PROLIFERATION, XIONG NOTED THAT CHINA HAD SIGNED THE NON-PROLIFERATION TREATY AND OPPOSED THE PROLIFERATION OF NUCLEAR WEAPONS ON THE KOREAN PENINSULA. HE HELD THAT CHINA SECRET

#### SECRET

BEIJIN 30650 02 OF 04 261026Z PAGE 02 HAD STRINGENT SAFECTARDS TO PREVENT THE INAPPROPRIATE EXPORT OF NUCLEAR TECHNOLOGY, MAINTAINING THAT SUCH EXPORTS MUST BE (A) FOR PEACEFUL USE, (B) OPEN TO INSPECTION, AND (C) NOT FOR UNAUTHORIZED EXPORT TO THIRD PARTIES. XIONG SAID THAT "SOME AMERICANS" CLAIM THAT CHINA IS EXPORTING DANGEROUS NUCLEAR TECHNOLOGY TO IRAN. HE DISMISSED THIS CHARGE, SAYING THAT IRAN WAS A SIGNATORY OF THE NPT, AND THAT THE "NEUTRON REACTOR" EXPORTED TO IRAN COULD NOT BE USED FOR THE MANUFACTURE OF NUCLEAR WEAPONS.

CONCERNING THE MTCR, XIONG REVIEWED THE HISTORY OF CHINA'S COMMITMENT TO ABIDE BY THE GUIDELINES AND PARAMETERS OF THAT REGIME. NOTING THAT "SOME AMERICANS" RAISED THE ISSUE OF SUPPOSED CHINESE MISSILE SALES TO PAKISTAN, HE REITERATED CHINA'S ASSURANCES THAT IT HAD DONE NOTHING IN CONTRAVENTION OF ITS PLEDGE CONCERNING THE MTCR AND SAID THAT "RESPONSIBLE PAKISTANI AUTHORITIES" HAD ALSO MADE SUCH ASSURANCES. XIONG SAID THAT HE WAS SURPRISED TO READ THAT AMERICAN NEWSPAPERS WROTE STORIES, CLAIMING TO BE



te Printed: 01/23/1997 DOC\_NUMBER: 93BEIJIN30650

CHANNEL: n/a

BEIJIN 30650 32 OF 04 261026Z PAGE 03

CAUTIONED THE CONGRESSMEN "NOT TO BELIEVE ALL INTELLIGENCE, " AND SAID HE HAD SHARED THIS VIEW WITH VISITING JOURNALISTS FROM THE WASHINGTON FOST AND NEW YORK TIMES. LEAKING INTELLIGENCE TO THE PRESS WAS NOT CONDUCIVE TO RESOLVING PROBLEMS, XIONG ARGUED. 9. CONTINUING ON THIS THEME, XIONG RAISED THE ISSUE OF THE "YIN HE, " A SHIP WHICH "SOME" CLAIM TO BE CARRYING CHEMICAL WEAPONS PRECURSORS TO IRAN IN CONTRAVENTION OF CHINA'S COMMITMENTS UNDER THE CHEMICAL WEAPONS CONVENTION. XIONG SAID THAT CHINA, AS A RESPONSIBLE "LARGE NATION," SHOULD BE TRUSTED TO ABIDE BY ITS COMMITMENTS. "JUST AS IN THE M-11 CASE," HOWEVER, SOME AMERICANS, CITING "MISTAKEN INTELLIGENCE, " HAD LODGED A SERIOUS CHARGE AGAINST CHINA; AS A RESULT, ACCORDING TO XIONG, THE UNITED STATES HAD DISPATCHED MILITARY SHIPS AND PLANES TO "HARASS" A CHINESE SHIP. XIONG HELD THAT CHINA HAD INVESTIGATED THE CHARGE AND HAD DETERMINED THAT IT WAS "TOTALLY GROUNDLESS." EVEN AFTER CHINA HAD MADE THIS CLEAR TO THE UNITED STATES THROUGH DIPLOMATIC CHANNELS, HOWEVER, THE UNITED STATES REFUSED TO BELIEVE IT.

10. XIONG SAID THAT THE CHINESE ARE "ANGRY AND OUTRAGED" AT ACTIONS TAKEN BY THE UNITED STATES TO HARASS A CHINESE SHIP. HE NOTED THAT THE UNITED STATES AND CHINA WERE SEEKING A DIPLOMATIC SOLUTION AND SECRET

# SECRET

BEIJIN 30650 02 OF 04 261026Z PREDICTED THAT THE UNITED STATES WOULD UNDERSTAND WHY CHINA WAS SO ANGRY AFTER THE INVESTIGATION OF THE CARGO IS COMPLETED. TURNING TO THE ISSUE OF WEAPONS EXPORTS, XIONG SAID THAT CHINA WAS "VERY RESPONSIBLE" AND STRICTLY REGULATED THE TRADE. HE ARGUED THAT OUR OWN FIGURES SHOWED THE UNITED STATES TO BE THE WORLD'S LARGEST EXPORTER OF WEAPONS. SAYING THAT THE QUESTION OF WEAPONS EXPORTS "SHOULD BE A TWO WAY STREET, " HE URGED THAT THERE BE NO "DOUBLE STANDARD." HE THEN ACCUSED THE UNITED STATES OF BREAKING PROMISES MADE IN THE AUGUST 17, 1982 JOINT COMMUNIQUE REGARDING ARMS SALES TO TAIWAN, HOLDING THAT THE DECISION TO SELL 150 F-16 FIGHTERS TO TAIWAN, MADE BY THE PREVIOUS ADMINISTRATION AND NOT CVERTURNED BY THE NEW

#### SECRET

te Printed: 01/23/1997 DOC\_NUMBER: 93BEIJIN30650

CHANNEL: n/a

ADMINISTRATION, WAS IN VIOLATION OF THE COMMUNIQUE. THIS ANGERED AND HURT THE FEELINGS OF THE CHIMESE AND

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BEIJIN 30650 03 OF 04 261027Z PAGE 01 ACTION H-06

AIT-03 OASY-00 DS-00 EAP-01 TEDE-00 ADS-00 INFO LOG-00 CORE-00 /010W ∵SS-00 ----E71AC3 261027Z /38

P 261025Z AUG 93 FM AMEMBASSY BEIJING TO SECSTATE WASHDC PRIORITY 8780 INFO AMCONSUL SHANGHAI AMCONSUL GUANGZHOU SECDEF WASHDC//OSD-ISA// AMCONSUL SHENYANG AIT TAIPEI 2127 AMCONSUL HONG KONG AMCONSUL CHENGDU

S E C R E T SECTION 03 OF 04 BEIJING 030650

DEPT PLEASE PASS TO REPS. MCCURDY, FOGLIETTA, CHAPMAN

E.O. 12356: DECL:OADR TAGS: OREP, PREL, PARM, CH, US SUBJECT: CODEL MCCURDY'S AUGUST 24 MEETING WITH PLA ASSISTANT CHIEF OF THE GENERAL STAFF XIONG GUANGKAI

WAS DETRIMENTAL TO U.S.-CHINA RELATIONS, HE ARGUED. 12. ON MILITARY-TO-MILITARY CONTACTS, XIONG AGREED THAT, DESPITE DIFFERENCES IN OTHER AREAS, SUCH CONTACTS SHOULD RESUME. HE NOTED PROGRESS TO DATE, MENTIONING THE VISITS OF NATIONAL DEFENSE UNIVERSITY SECRET

#### SECRET

ite Printed: 01/23/1997

DOC\_NUMBER: 93BEIJIN30650

CHANNEL: n/a

PAGE 02

BEIJIN 30650 05 OF 04 2610272

"CAPSTONE" GROUPS, BUT RECRETTED THAT HIGH-LEVEL

CONTACTS HAD NOT RESUMED. XIONG ARGUED THAT THE

CHINESE IMPOSED NO OBSTACLES TO RESTORING HIGH-LEVEL

CONTACTS, AND THAT IT WAS THUS UP TO THE UNITED STATES

TO TAKE THE FIRST STEPS. XIONG STATED THAT HE HAD

VISITED THE UNITED STATES FOUR TIMES, AND THAT HE

HOPED HE WOULD BE ABLE TO MEET HIGH LEVEL LEADERS ONCE

AGAIN EITHER IN THE UNITED STATES OR CHINA.

- 13. ON DEFENSE SPENDING, XIONG REPEATED CHINESE CLAIMS THAT THE 1993 DEFENSE BUDGET AMOUNTED TO ONLY 42.5 BILLION RENMINBI, WHICH HE SAID WAS EQUIVALENT TO ABOUT USD 7 BILLION. HE THEN CITED STATISTICS INDICATING THAT DEFENSE'S SHARE OF GNP HAD FALLEN FROM 4.3 PERCENT IN 1980 TO 1.5 PERCENT IN 1993. ITS PERCENTAGE OF GOVERNMENT EXPENDITURES HAD ALSO FALLEN. FROM 15 PERCENT IN 1980 TO 8.9 PERCENT IN 1993. THIS "REAL DECLINE" IN SPENDING, ACCORDING TO XIONG, REFLECTED BOTH CHINA'S PRIMARY CONCENTRATION ON ECONOMIC CONSTRUCTION AND THE MILLION-MAN REDUCTION IN RANKS SINCE THE MID-1980S. HE REITERATED HIS EARLIER STATEMENT THAT CHINA REQUIRED A LONG PERIOD OF PEACE AND STABILITY TO FURTHER ECONOMIC CONSTRUCTION, AND THUS SOUGHT TO FURTHER DEVELOP FRIENDLY RELATIONS WITH THE UNITED STATES AND OTHER COUNTRIES. 14. CONGRESSMAN MCCURDY THANKED XIONG FOR HIS
- 14. CONGRESSMAN MCCURDY THANKED XIONG FOR HIS THOROUGH RESPONSES, BUT TOLD XIONG THAT HE WAS CONCERNED THAT HE HAD MISUNDERSTOOD THE CONCERN OF THE UNITED STATES IN THE MATTER OF THE TRANSFER OF WEAPONS TECHNOLOGY. MCCURDY TOLD XIONG THAT THE U.S. CONCERN WAS NOT OVER EXPORTS OF TECHNOLOGY TO HELP BUILD THE SECRET

### SECRET

PAGE 03 BEIJIN 30650 03 OF 04 261027Z
DEFENSES OR MODERNIZE OTHER NATION'S MILITARIES; THE
CONCERN RATHER LIES IN PREVENTING THE EXPORT OF
TECHNOLOGY TO STATES WHICH DID NOT SHARE VIEWS HELD BY
THE UNITED STATES AND CHINA ON THE PROLIFERATION OF
NUCLEAR WEAPONS AND OTHER WEAPONS OF MASS

DESTRUCTION. 1

15. MCCURDY EXPLAINED THAT THE UNITED STATES AND OTHERS WERE BREAKING NEW GROUND IN THE DRIVE TO LIMIT THE PROLIFERATION OF DANGEROUS TECHNOLOGIES AND TO REDUCE THE CHANCES OF REGIONAL CONFLICT. WE, IN FACT, SEEK DIPLOMATIC SOLUTIONS, SUCH AS WAS THE CASE IN THE

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DOC\_NUMBER: 93BEIJIN30650

CHANNEL: n/a

ON-GOING DISCUSSIONS ABOUT POSSIBLE SHIFMENTS OF CHEMICAL WEAPONS PRECURSORS TO IRAN, HE EXPLAINED. MCCURDY HELD THAT THE PRECEDENT SET BY CHINA AND THE UNITED STATES ON THE DPRK NUCLEAR PROGRAM WAS A GOOD ONE, AND HE HOPED THAT THE UNITED STATES AND CHINA COULD "START FRESH." TO DO THIS HOWEVER, MCCURDY ARGUED, CHINA SHOULD REMOVE SUSPICIONS RAISED BY ITS LACK OF OPENNESS ON THE LESUE OF SALES OF MISSILE TECHNOLOGY TO PAKISTAN.

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TO BE MORE FORTHCOMING, STATING THAT HE PREFERRED A "WIN-WIN" SOLUTION WHICH WOULD HELP CHINA BECOME "MORE OPEN AND MORE ENGAGED IN GLOBAL AFFAIRS IN A POSITIVE WAY."

16. RESPONDING, XIONG REITERATED THAT CHINA HAD ADOPTED A "SERIOUS AND STRICT" POLICY ON EXPORTS, INCLUDING STRICT CONTROLS ON QUANTITIES OF WEAPONS SOLD IN SENSITIVE AREAS. IN ONE SUCH AREA -- THE MIDDLE EAST -- XIONG STATED THAT CHINA'S SALES LAST YEAR TOTALLED ONLY USD 20 MILLION IN EXPORTS OF 100-PLUS ARTILLERY PIECES. HE ASKED, RHETORICALLY, THE TOTAL VALUE OF U.S. ARMS EXPORTS TO THAT REGION. XIONG ARGUED THAT ALL COUNTRIES SHARE RESPONSIBILITY IN LIMITING THE TRADE IN ARMS; THE UNITED STATES, AS THE LARGEST ARMS EXPORTER, HAS A GREAT RESPONSIBILITY IN THIS REGARD. HE ENDED BY SAYING THAT THE

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PAGE 01 ACTION H-06 BEIGIN 30650 04 OF 04 261028Z

te Printed: 01/23/1997 DOC\_NUMBER: 93BEIJIN30650 CHANNEL: n/a

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P 261025Z AUG 93 FM AMEMBASSY BEIJING TO SECSTATE WASHDC PRIORITY 8781 INFO AMCONSUL SHANGHAI AMCONSUL GUANGZHOU SECDEF WASHDC//OSD-ISA// AMCONSUL SHENYANG AIT TAIPEI 2128 AMCONSUL HONG KONG AMCONSUL CHENGDU

S E C R E T SECTION 04 OF 04 BEIJING 030650

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E.O. 12356: DECL:OADR TAGS: OREP, PREL, PARM, CH, US SUBJECT: CODEL MCCURDY'S AUGUST 24 MEETING WITH PLA ASSISTANT CHIEF OF THE GENERAL STAFF XIONG GUANGKAI

RESOLUTION OF ISSUES SUCH AS THE M-11 AND THE "YIN HE" REQUIRED MUTUAL RESPECT; THE LACK OF EVEN THE MINIMUM OF RESPECT FRUSTRATED ATTEM 'TS TO ACHIEVE SOLUTIONS.

17. MCCURDY ENDED BY SAYING THAT HIS DELEGATION HAD SECRET

#### SECRET

PAGE 02 BEIJIN 30650 04 OF 04 261028Z COME TO CHINA "OUT OF MUTUAL RESPECT," AND IT WAS IN THIS SPIRIT THAT HE HAD RAISED THE QUESTION OF PROLIFERATION.

- 18. AS THE GROUP WAS PREPARING TO LEAVE, THE AMBASSADOR CLARIFIED THAT U.S. SHIPS OPERATING NEAR THE "YIN HE" HAD NOT COME CLOSER THAN TWO NAUTICAL MILES TO THAT VESSEL, AND NOTED THAT WE DID NOT ACCEPT THE CHARGE THAT THIS CONSTITUTED "HARASSMENT." XIONG DID NOT DEBATE THIS POINT, BUT REPEATED THAT THE CHINESE WERE "OUTRAGED" BY U.S. ACTIONS IN THE CASE.
- 19. THIS REPORT HAS BEEN CLEARED BY CODEL MCCURDY.

ROY